

Message Text

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PAGE 01 OSAKA 00175 230531Z

ACTION EA-12

INFO OCT-01 ARA-14 ISO-00 AID-05 CIAE-00 COME-00 EB-08

FRB-01 INR-10 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 L-03 H-02

NSC-05 SS-15 STR-07 CEA-01 PA-02 /119 W

-----125606 230820Z /17

R 230515Z FEB 78

FM AMCONSUL OSAKA KOBE

TO SECSTATE WASHDC 3352

INFO AMEMBASSY TOKYO

USINT HAVANA

UNCLAS OSAKA KOBE 0175

E.O. 11652: N/A

TAGS: ETRD JA CU

SUBJ: JAPANESE BANK LOANS TO CUBA

1. A FEBRUARY 14 ASIAN WALL STREET JOURNAL REPORT ON LENDING ABROAD BY JAPANESE BANKS STATED THAT THE SUMITOMO TRUST AND BANKING COMPANY, BASED IN OSAKA, HAD CO-MANAGED A FIVE-BILLION -YEN(ABOUT \$20.8 MILLION) SYNDICATION LOAN TO THE NATIONAL BANK OF CUBA.

2. CHECKING WITH SUMITOMO TRUST AND BANGKING, THE CONSULATE LEARNED THAT THE WALL STREET JOURNAL REFERENCE WAS TO AN OCTOBER 1976 LOAN TO THE NATIONAL BANK OF CUBA, SYNDICATED BY 19 JAPANESE BANKS WITH THE BANK OF TOKYO AS THE LEADING MANAGER, AND SUMITOMO AS ONE OF THE FOUR CO-MANAGERS. TERMS FOR THAT LOAN WERE 7 YEARS, 9.9 PERCENT ANNUAL INTEREST, AND THREE YEARS OF GRACE. SUMITOMO EXPLAINED THAT THE LOAN WAS MOTIVATED BY THE NEED TO HELP CUBA PAY FOR IMPORTS FROM JAPAN, THESE WERE JAPANESE PRODUCTS (LARGELY MACHINERY AND CHEMICALS) ALREADY MANUFACTURED AS OF 1976 AGAINST CUBAN ORDERS BUT HELD UP IN SHIPMENT BECAUSE OF CUBAN DIFFICULTIES IN PAYING FOR THEM.

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3. SUMITOMO ADDED THAT THIS MONTH ANOTHER SYNDICATION LOAN OF 10 BILLION YEN, PUT TOGETHER BY THE SAME GROUP OF JAPANESE BANK, WAS ACCEPTED BY THE NATIONAL BANK OF CUBA. TERMS FOR THE SECOND LOAN ARE 10 YEARS AT AN ANNUAL INTEREST RATE OF 8.5 PERCENT. ACCORDING TO SUMITOMO THESE ARE THE SAME TERMS OFFERED TO CUBA BY EUROPEAN COMMERCIAL BANKS. UNLIKE THE

FIRST LOAN, THIS LOAN IS NOT INTENDED FOR ANY SPECIFIC
PURPOSE.
AINSWORTH

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978OSAKA00175
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780083-0770
Format: TEL
From: OSAKA KOBE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1978/newtext/t19780222/aaaaaspo.tel
Line Count: 65
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3506125
Secure: OPEN
Status: NATIVE
Subject: JAPANESE BANK LOANS TO CUBA
TAGS: ETRD, EFIN, JA, CU
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/535a9ed1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014